

WASHINGTON, DC -- Congresswoman Linda Sánchez, Chairwoman of the House Judiciary Subcommittee on Commercial and Administrative Law (CAL), issued the following statement today at a press conference with Rep. Brad Miller introducing H. R. 3609, "The Emergency Home Ownership and Mortgage Equity Protection Act of 2007."

"It's a pleasure to join my colleagues Brad Miller and Carolyn Maloney today to formally announce the introduction of the Emergency Home Ownership and Mortgage Equity Protection Act.

"I thank Mr. Miller for his leadership on this critical issue and am pleased we're working together to find relief for those being crushed by the sub-prime mortgage crisis.

"With 1.2 million foreclosures having occurred last year, and more expected this year and next, we have to act now.

"It is estimated that between this year and next there will be a whopping \$400 billion worth of mortgage defaults.

"That's a major hit to our economy, which will have ramifications for everyone.

"Just because you might not have a sub-prime mortgage does not mean this doesn't affect you.

"The Emergency Home Ownership and Mortgage Equity Protection Act would make modest, prudent changes to bankruptcy law that would help alleviate some of the worst effects of the mortgage crisis.

"Earlier this week, the Judiciary Committee's Subcommittee on Commercial and Administrative Law held a hearing on the current mortgage crisis.

"We heard from experts on how we got into this mess, and heard their views on ways to fix it, including possible legislative solutions.

"Now I'm even more confident that this bill is the right approach.

"Even the banking industry acknowledges that foreclosure is the worst outcome for everyone

"And their representative agreed with me that current bankruptcy law is unfair in how it treats average homeowners differently from those who are well off enough to own vacation homes.

"Right now, if you're in bankruptcy and own a vacation home or investment property, the bankruptcy judge can modify the mortgages on those properties and give you relief.

"But if you're like most Americans, and only have one property — your home — you don't get the same privilege.

“Anyone who knows me, knows that I hate unfairness. The current law is unfair and needs to be changed.

“That’s why I’m proud to be behind this bill, which will restore fairness to hardworking American families struggling to save their homes from foreclosure in bankruptcy.

“As Chair of the CAL Subcommittee, which has jurisdiction over bankruptcy law, I will work to move this legislation swiftly.

“In fact, the work has already begun. Congressman Miller and I are already laying the ground work and recruiting wider support for this bill.

“As we do this work, let’s remember that being able to own your home is the proudest financial achievement for most Americans. It is one of the cornerstones of the American Dream.

“We cannot stand idly by while the dreams of hundreds of thousands turn into nightmares.”